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WASHINGTON, D.C. 20554

IN REPLY REFER TO:

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Honorable Greg Laughlin
House of Representatives
236 Cannon House Office Bldg.
Washington, DC 20515-4314

Dear Congressman Laughlin:

This responds to your letter of September 28, 1993, addressing the Personal Communications Services (PCS) proceeding, GEN Docket No. 90-314. Your constituent, Jackie N. Dukes, Vice President of La Ward Cellular and La Ward Telephone Exchange, Inc., expresses support for a PCS licensing structure that permits licensing of small and rural telephone systems.

On September 23, 1993, the Commission adopted final rules to govern PCS as well as a Notice of Proposed Rule Making seeking comment on auction rules that would be used to select PCS licensees. The Commission allocated a total of 120 megahertz of spectrum for licensed PCS and permitted telephone companies without cellular interests to aggregate up to 40 megahertz of this spectrum (the maximum authorized any licensee). Telephone companies with cellular interests will be restricted to 10 megahertz in a PCS service area in which they own twenty or more percent of a cellular company, if the cellular company serves 10 or more percent of the population of the PCS service area. Local exchange carriers are permitted to apply for PCS licenses on the same basis as other applicants, except insofar as they hold interests in cellular operations.

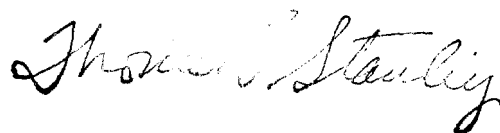
The Commission adopted 492 local service areas based on Basic Trading Areas (BTAs) and 51 regional service areas based on Major Trading Areas (MTAs). The 120 megahertz is divided into two 30 megahertz MTA blocks, one 20 megahertz BTA block, and four 10 megahertz BTA blocks. The Commission's licensing scheme will result in from three to seven licensees in each area, depending on aggregation in the auction process. In a companion Notice of Proposed Rule Making, [REDACTED] the Commission proposed licensing preferences in one 20 megahertz and one 10 megahertz frequency block for rural telephone companies, small businesses, and businesses owned by minorities and women.

Honorable Greg Laughlin

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The Commission's decisions addressing PCS are designed to foster competition among PCS providers and between PCS providers and cellular radio operators and to ensure expeditious provision of PCS in both urban and rural areas. I am attaching the press releases for the dockets addressed above that more fully describe the Commission's actions.

Sincerely,

A handwritten signature in cursive script, reading "Thomas P. Stanley". The signature is written in dark ink and is positioned above the printed name and title.

Thomas P. Stanley
Chief Engineer

Enclosures

GREG LAUGHLIN
14TH DISTRICT, TEXAS

COMMITTEE ON
PUBLIC WORKS AND TRANSPORTATION

SUBCOMMITTEES
SURFACE TRANSPORTATION
AVIATION
WATER RESOURCES

COMMITTEE ON
MERCHANT MARINE AND FISHERIES

SUBCOMMITTEES
COAST GUARD AND NAVIGATION
FISHERIES AND WILDLIFE CONSERVATION
AND THE ENVIRONMENT

Congress of the United States
House of Representatives
Washington, DC 20515-4314

September 28, 1993

OET
90-314

WASHINGTON OFFICE:
218 CANNON BLDG.
WASHINGTON, DC 20515-4314
(202) 225-2831

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221 EAST MAIN
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(512) 244-3765

Ms. Lou Sizemore
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

Dear Ms. Sizemore:

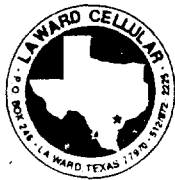
I have enclosed a letter I recently received from Ms. Dukes for your consideration. Ms. Dukes wants to ensure that the personal communications services (PCS) docket currently pending before the Federal Communications Commission does not disproportionately impact rural areas. Please ensure that Ms. Dukes' letter is included in the public record of this issue.

I appreciate your attention to this matter. If you should have any questions in this regard, please do not hesitate to contact my office.

Sincerely,


Greg Laughlin
Member of Congress

Enclosure



LA WARD CELLULAR

September 2, 1993

P.O. BOX 246
LA WARD TX. 77970
512/872-2225

The Honorable Greg Laughlin
United States Representative
Room 236
Cannon House Office Building
Washington, D.C. 20515-4314

Dear Representative Laughlin:

I am writing to you on behalf of La Ward Cellular and La Ward Telephone Exchange, Inc. regarding the personal communications services (PCS) docket currently pending before the Federal Communications Commission (FCC). Personal communications is an advanced wireless telecommunications service that will allow a person to be reached anytime, anywhere. This new technology could potentially generate significant revenue in our area. I urge you to take action to ensure that rural Texas is not inadvertently disadvantaged or left behind in the development of telecommunications infrastructure. In this regard, it is critical that the rules which the FCC ultimately adopts to license PCS encourage participation by the rural telecommunications providers who have demonstrated a continued commitment to providing rural Texas with advanced telecommunications services.

Our experience building cellular networks in rural South Texas demonstrates the ability of small, rural telephone companies to quickly provide new advanced technological service to rural areas. In just four years, following the issuance of the first rural service area (RSA) authorization, cellular service has been implemented in each of the RSAs in Texas. La Ward Cellular which is affiliated with La Ward Telephone Exchange, Inc. is committed to providing your constituents with new and advanced telecommunications services. Your constituents must not be overlooked when determining the method used to allocate PCS licenses.

To maximize benefits to consumers and encourage the participation of all small and large players in the PCS market, we would like you to tell the FCC to design a licensing structure consisting of multiple licenses, small licensing areas and small blocks of spectrum. Service areas consisting of Metropolitan Statistical Areas/Rural Service Areas rather than Rand McNally's Major Trading Areas/Basic Trading Areas and 10 MHz blocks of spectrum will make it possible for rural telecommunications service providers to provide PCS to your constituents in South Texas.*

* There are 728 MSAs/RSAs covering the United States. The same area is only covered by 47 MTAs. These 47 MTAs are made up of 487 BTAs.

page two

This structure will encourage and facilitate the participation of rural telecommunications service providers like us who have demonstrated a commitment to rural areas. Participation by rural providers will serve the public interest by ensuring that areas will be served even though they may not be considered "cream markets" by potential licensees bidding for a larger service area that encompasses less lucrative rural markets in Texas.

Much like the MSA/RSA structure that prompted the rapid roll out of service in the cellular markets, a structure employing similar principles would produce similar benefits for the PCS market. Smaller markets would increase competition and encourage companies to participate directly in the auction process. Participation by rural telecommunications companies would produce new job opportunities and an expanded infrastructure in rural areas each of which benefit your constituents. Additionally, participation in auctions by a larger number of companies would likely yield higher revenues and allow for a greater reduction in the federal deficit.

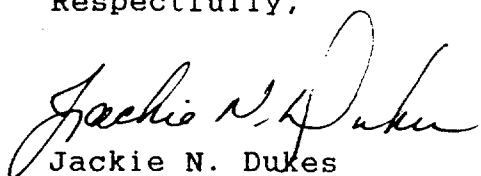
Small niche markets are often ignored by bigger telecommunications firms. These markets would also be better served by local companies, which are acquainted with the needs of the local consumers. History has shown that these markets would not receive service under a national or regional license structure.

The FCC's auction authority, outlines in the Omnibus Budget Reconciliation Act of 1993, includes guidelines for the FCC to design the auction so that rural telephone companies can participate effectively and independently for PCS licenses. Additionally, the Small Business Administration filed comments earlier this year recommending smaller markets that would tailor service and promote competition.

Please tell the FCC to adopt measures that will ensure the participation of rural telecommunications providers so that your constituents will be assured of receiving these advanced telecommunications services.

I welcome the opportunity to further discuss these issues with you and your staff.

Respectfully,


Jackie N. Dukes
Vice President